



# EMPLOYER

California Public Employees' Retirement System

# NEWS

## CalPERS Educational Forum 2006: Creating Lasting Value

Mark your calendars now! You won't want to miss CalPERS Educational Forum 2006 at the beautiful Renaissance Esmeralda in Indian Wells on October 23-25.

This year's theme – ***Creating Lasting Value*** – addresses the opportunities we have to create sustainable retirement, financial and health benefits. In partnering with employers, we can develop a shared vision for maintaining the value public employees and employers need for life.

### Registration

Beginning in August, registration information will be available on the home page of our Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) under the heading ***Important Dates & Events***. In addition, copies of the registration materials will be sent to each employer as well as previous attendees. We will once again offer online registration for those who wish to pay by credit card. Our registration period runs August 1 through October 2.

If you would like to have the registration materials mailed directly to you, please send an e-mail to [calpers\\_conference@calpers.ca.gov](mailto:calpers_conference@calpers.ca.gov).

In the meantime, check our Web site periodically for updates about this year's Educational Forum.

### Event Features

One of the most important aspects of our Educational Forum is the focus on information sharing. We offer a full agenda with workshops covering a wide range of topics, all led by subject matter experts. A sampling of the workshop topics:

- pre-funding post-retirement medical/GASB 45
- reportable compensation
- helping you help your employees from employment to retirement
- basic and intermediate actuarial science
- working together for a successful disability retirement process
- financial education
- health for today and tomorrow
- Social Security issues

Each year, the Forum offers opportunities to meet with your CalPERS actuary, talk to representatives from all areas of CalPERS

## Inside This Issue

- 3 Work Begins on Annual Actuarial Valuations
- 4 Health Benefits Open Enrollment 2006
- 5 2006 State Members Board Election Ballots Distributed this Summer
- 6 Legislation of Interest to CalPERS Employers
- 7 New on ACES: the Annual Member Statement Employer Report
- 8 How to Navigate CalPERS Headquarters
- 10 CalPERS Member Home Loan Program: 25 Years of Making a House Your Home
- 11 The ERCC: Providing Employers with Excellent Customer Service
- 12 CalPERS Health Program
- 15 President and Committee Chairs Chosen for CalPERS Board
- 16 CalPERS Member Network: Keeping You Informed

**Creating Lasting Value—  
Continued on page 3**

## Payroll News: An Enhanced AESD 626

In October 2005, a new release of the Automated Communications Exchange System (ACES) further enhanced the Payroll File Transfer process. Among those enhancements was the system generated Summary Report of Member and Employer Contributions (AESD-626).

With this enhancement, ACES now automatically generates an AESD-626 based on the amount transmitted on a successfully validated payroll file sent through Payroll File Transfer.

Employers can locate the ACES generated Summary Report by selecting **View Totals** in the Payroll File Transfer folder and then selecting the AESD-626 icon to display the Microsoft Excel version of the form. Employers

should enter the beginning and end dates of the service period, then print and sign the document. The form should then be either faxed or mailed to CalPERS, depending on how the employer remits payment.

There are many benefits to using the ACES generated AESD-626, including:

- ACES will calculate the contribution totals based on the reported data.
- Employers no longer have to manually create a Summary Report by inputting data on the paper carbon copy or blank Excel version of the AESD-626.
- ACES users can access the AESD-626 in the "View Totals" area for a year following the date the payroll file was

transmitted. This allows the employer and CalPERS to view the summary report that was generated for a specific payroll file transmitted via ACES.

- Employers have the ability to enter and/or update data on the system generated AESD-626.
- Employers can save the ACES generated AESD-626 to their computer.

For more information regarding the ACES generated Summary Report of Member and Employer Contributions (AESD-626), or to sign up to participate in ACES Payroll File Transfer, please visit **[www.calpers.ca.gov](http://www.calpers.ca.gov)** or call the CalPERS Employer Contact Center toll-free at **888 CalPERS** (or 888-225-7377).

### EMPLOYER NEWS

CalPERS Employer News is published quarterly by the Actuarial and Employer Services Branch of the California Public Employees' Retirement System. The purpose of this publication is to keep employers informed about CalPERS.

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## Annual Employer Statement

It's that time of year again when CalPERS sends the 2006 Annual Employer Statements (AES) to contracting public agencies and County Offices of Education. The AES is a synopsis of the employers' CalPERS contracted benefits and it serves as a reminder of the current employer rate.

As an easy reference tool, we recommend that you keep a copy of your AES inside the **CalPERS Procedures Manual**. CalPERS also encourages you to provide copies of the AES to the appropriate Human Resources, Benefits, and/or Payroll staff.

*NOTE: Please remember the **Annual Actuarial Valuation** is the official employer rate notification. It is mailed each year in October, providing detailed information regarding employer rates for the upcoming fiscal year. In addition, if there is a conflict between the Public Employees' Retirement Law (PERL) and the AES, the PERL supersedes the AES.*

## Work Begins on Annual Actuarial Valuations

CalPERS actuaries and assistants are busy this time of year working on the annual cycle of setting public agencies' required employer contribution rates for their pension plans. The five-month process begins in June with the reconciliation of member and financial data, and culminates in October with the mailing of the annual reports. Each annual report contains the employer contribution rate for the fiscal year beginning the following July.

A single public agency may receive several separate reports for its "rate plans" covering different employee classifications. Miscellaneous and safety employees are always covered under separate rate plans, and often safety employees are covered under separate plans for police and fire. Some agencies have adopted a tiered benefit structure for employees hired after a certain date, and this also creates separate rate plans. Even a small plan that is included in one of the nine risk pools receives a separate annual report with its own contribution rate.

All in all, the actuarial office will prepare and mail over 2,000 separate annual reports to approximately 1,500 public agencies before the end of October. This timeline gives employers a full eight months before the rate takes effect and allows employers to discuss the reports with their actuary at the annual Educational Forum.

In recent years, several factors have significantly impacted the employer contribution rates. However, it looks like this may be a year of relative stability. CalPERS is not aware of any factors that will result in significant changes to employer rates this year. Regardless, there are still factors that could affect employer contribution rates. These include:

- **The 12.3% investment return during 2004-2005.** This will tend to lower employer contribution rates.
- **The actual experience of the individual plans and risk pools, including compensation increases, rates of retirement, mortality and disability.** Actual experience that is significantly different than our assumptions will impact contributions.

There has been a change to the valuation report that may be of interest to employers. In addition to showing the funded ratio based on the actuarial value of assets, the reports will also show the funded ratio based on the market value of assets.

One final note: CalPERS recognizes it is important to ensure that the most accurate information possible is provided to employers and employee groups when considering possible benefit improvements. Accordingly, CalPERS strongly encourages waiting for the new valuations before requesting any new amendment cost analyses.

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### Creating Lasting Value— Continued from page 1

in our comprehensive exhibit area, and most importantly network with fellow attendees from public agencies, school districts, community colleges, and State agencies from throughout California.

If that isn't enough, there is also the opportunity to meet the CalPERS Board of Administration at a welcome reception held Monday evening, and get answers to those burning questions

from the Board and CalPERS executive staff at Wednesday's question and answer panel. This is your chance to meet our new chief investment officer, Russell Read, who joined the CalPERS family in June.

The \$250 registration fee includes all of the above, plus lunch on Monday and Tuesday, continental breakfast on Tuesday and breakfast on Wednesday. Enjoy the beautiful surroundings

of Indian Wells with Tuesday's evening on your own.

Appointments with actuaries can be made at the Forum or in advance by calling **888 CalPERS** (or **888-225-7377**).

We eagerly anticipate your attendance in Indian Wells as we work toward a common goal of creating lasting value and sustainable benefits for all CalPERS members.

## Health Benefits Open Enrollment 2006

This year, the Health Benefits Open Enrollment period will run from September 1-29, 2006. We have returned to the historical September 1st start date this year to accommodate important CalPERS system upgrades. Specifically, we are replacing the programming language of our COMET Health System database to make the system more flexible and sustainable.

### You spoke. We listened.

CalPERS has made some exciting changes to Health Program and Open Enrollment publications this year. We looked at our information and redesigned our materials to provide you, your employees and annuitants the necessary knowledge to make an informed decision when planning an Open Enrollment transaction.

### What has changed?

CalPERS has combined four publications into one comprehensive booklet, the **CalPERS Health Program Guide for Active and Retired Members**. We have condensed the information from the State and Public Agency **Health Plan Guide**, **Health Program Handbook** and the **Understanding Medicare** publications.

In July, employers receive Open Enrollment packets along with the **Health Benefit Summary** publication and the **Quality Report**. The new streamlined booklet will be available to members beginning mid-August from the CalPERS Web site, and by special order from the postcard in your employees' and annuitants' Open Enrollment packet. All publications will be available online throughout the year at [www.calpers.ca.gov](http://www.calpers.ca.gov) or by contacting CalPERS Agency Request Unit via telephone at (916) 795-1493, fax to (916) 795-3281 or by e-mail to [Public\\_Agency-Requests@calpers.ca.gov](mailto:Public_Agency-Requests@calpers.ca.gov).

### We didn't stop there.

The Open Enrollment packet has an entirely new look this year. With a streamlined approach in mind, your employees and annuitants will receive:

- An Open Enrollment newsletter
- A personalized member's Annual Health Plan Statement
- Health Plan Premium Rate Sheets
- A postcard to order special booklets

The new Open Enrollment newsletter will provide important information to you, your employees and annuitants regarding the 2007 contract year health plan premium rates, and any benefit or program changes to the new **CalPERS Health Program Guide**; any changes to the Annual Health Plan Statement, which identifies member enrollment status and plan availability; Open Enrollment dates; how to make different types of Open Enrollment transactions; and other new information of value to you and your employees and annuitants.

### Online Open Enrollment Health Fair Scheduling Tool

In early summer, CalPERS will provide an Open Enrollment Health Fair reservation link on the CalPERS Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov) to State and Contracting Agency employers. This link will allow employers to schedule their Health Fairs with all available health plans simultaneously, and will better equip the health plans to manage their attendance at these events.

### More Information

Employers can expect to receive additional information regarding Open Enrollment through future Circular Letters and Broadcast Messages.





## 2006 State Members Board Election Ballots Distributed this Summer

*Earlier this year, CalPERS solicited nominations from interested active members for the Public Agency, State and School Members Positions on the CalPERS Board of Administration (Board). However, the incumbents for the School and Public Agency elections were both unopposed, so the elections for those two Board positions have been cancelled.*

*The Secretary of State will certify Rob Feckner and Priya Sara Mathur elected to their respective positions. Their terms of office will be January 16, 2007 through January 15, 2011.*

CalPERS continues to conduct the election for the State representative for the CalPERS Board. On August 21, 2006, CalPERS will mail a ballot package directly to each eligible active State member's home address. The ballot package consists of a ballot and a candidate statement booklet with a perforated postage-paid return envelope.

On August 21, 2006, CalPERS will also mail the following election materials to the designated State Agency Election Officers:

- A report listing the names and addresses of eligible members in the agency (this report is for information only)
- Instructions for ballot distribution
- A *Certificate of Delivery* form
- Ballot packages that are undeliverable through the CalPERS direct mail process. The Election Officer should promptly distribute these ballot packages to identified members.

On September 11, 2006, any ballot packages returned by the post office will be mailed to the State Agency Election Officer for prompt distribution to identified members. Each State Agency Election Officer must complete the *Certificate of Delivery* form and return the form to CalPERS by September 22, 2006.

Employers of any eligible State members who have not received a ballot package by September 22, 2006, should refer these employees to contact the Board Elections Office directly at (916) 795-3952, or (800) 794-2297, if the member desires a ballot package. Please be advised that the member is responsible for mailing his/her own ballot to CalPERS in the postage-paid return (or comparable) envelope, on or before September 29, 2006, to ensure receipt by CalPERS.

If the member chooses to not use the postage-paid return envelope to mail his/her own ballot, the words "CalPERS State Ballot Enclosed" should be boldly printed on the outside of the comparable envelope used. The reverse side of the postage-paid return (or comparable) envelope must be signed by the member who voted the enclosed ballot. The postage-paid return envelope has a bar code identifier unique to each eligible voter.

In the event a candidate does not win by a majority vote (50 percent plus one), a run-off election will be conducted involving the two candidates who received the highest number of votes in the State election. Should a run-off election be necessary, the run-off election voting period will be November 13, 2006 to December 8, 2006.

Additional information regarding the Board election, including complete voting instructions, will be available on the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)** after August 21, 2006.

## Legislation of Interest to CalPERS Employers

We understand that employers want information about new legislative bills that may impact CalPERS programs before they are chaptered and become law. In our ongoing effort to keep you informed about such legislation, we have compiled a list of the bills introduced in the 2005-2006 legislative session that are being tracked and analyzed by CalPERS. These bills have been identified as having potential impact on CalPERS programs and our stakeholders.

You can obtain the complete listing of these bills by accessing CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov). Select **About CalPERS** from the home page, followed by **CalPERS Facts at a Glance**, and **Legislative Facts**. Be sure to bookmark this page for easy reference. The information is as current as the date indicated, unless otherwise noted. The "A" list contains CalPERS-sponsored bills, and the "B" list contains other bills. Both lists contain bills that may impact CalPERS.

Additional information (i.e., bill language, legislative analyses, bill history, and vote counts) can be found on the State of California Legislative Counsel Web site at [www.leginfo.ca.gov](http://www.leginfo.ca.gov). Questions and comments regarding legislation can be directed to the Employer Contact Center at **888 CalPERS** (or 888-225-7377).

The following bills are among those we are currently tracking and may be of specific interest to State and local agency employers, including schools. We will publish a complete summary of chaptered bills from the second

half of the 2005/06 legislative session in the winter edition of **Employer News**.

### **AB 2351 (Maze) - Service Credit for Elected Official**

Prohibits a governing body of a city or county from granting or paying for contributions for service credit for an elected officer or member of a board of supervisors for time that he or she did not serve in the elected office. It does not preclude an elected officer from purchasing service credit.

### **AB 2438 (Chu) - Treatment of Pay for Industrial Disability Leave**

Makes a clarifying amendment in the definition of "compensation" under the Public Employees Retirement Law (PERL) to allow a member employed at a school district or at a community college district to have their Workers' Compensation temporary disability payments reported to CalPERS for purposes of receiving service credit.

### **AB 2945 (Spitzer) - Safety Membership for Specified Department of Justice Employees**

Reclassifies to safety membership state employees who are managers, supervisors, or confidential employees in a forensic program or whose subordinate is or becomes a safety member.

### **SB 1041 (Denham) - District agricultural associations**

This bill would restructure the governance of the district agricultural associations, make them public corporations, and provide for the transition of the associations and their

administration to local control, unless the association chooses to remain a state agency. This bill contains other related provisions and other existing laws.

### **SB 1273 (Soto) - Public Agency Definition: Area Agency on Aging**

Authorizes a private nonprofit area agency on aging to enter into a contract with CalPERS for participation of the agency's employees as members of the system if the agency obtains a ruling from the U.S. Department of Labor defining it as a public agency. This bill increases member contributions and would make an appropriation.

### **SB 1443 (Ashburn) - Public Employees' Retirement: Retirement Allowances**

Provides that if a state patrol member, a state peace officer/firefighter, or a state safety member, or local safety member earns a retirement benefit under more than one retirement benefit formula, and his or her effective date of retirement or date of death is on or after the effective date of the bill, the combined cumulative retirement benefit payable under all retirement benefit formulas based on a combination of service, as specified, shall not exceed the maximum percent 90% of final compensation applicable to those members. Also requires that if a state member is subject to this limitation, and the member's retirement benefit is subject to different limitations on maximum benefits, then the higher maximum would apply, and the additional benefit would be funded by the employer for whom the member performed the service subject to the higher maximum.

## New On ACES: the Annual Member Statement Employer Report

Since it was introduced in 2000, the Automated Communications Exchange System (ACES) has received many enhancements in response to employer usage and feedback. One such enhancement came in January, when a new release of ACES was implemented containing the Annual Member Statement (AMS) Employer Report.

This report is produced exclusively for employers who contract for retirement benefits with CalPERS, and is provided yearly to inform CalPERS employers of the employees in their agency who will receive an Annual Member Statement. It also provides the year-end account data for each active member, including the mailing address used and account balances.

For more information or assistance, please refer to the Annual Member Statement Employer Report section of the ACES User Guide, available online at [www.calpers.ca.gov/aces](http://www.calpers.ca.gov/aces). To view or download this section, select **For ACES Users**, then **ACES User Guide**. You may also contact the CalPERS Employer Contact Center at **888 CalPERS** (or 888-225-7377).

### Accessing the AMS Employer Report

An Account Administrator within an agency must modify an ACES user's account to grant access to this application as follows:

1. Log in to ACES.
2. Select **User Account Maintenance** from the Navigation List.
3. Click the **Modify** button to the right of the user's name.
4. From the **User Account Maintenance Modify** screen, click the **Access** button in the upper right green bar area.
5. Click on **AMS Employer Report** in the **Applications Available** box, then click the **Grant** button. Click **Save**. The user will be listed under **Pending User Transactions**.
6. Click the **Next** button to submit your request.
7. Provide your e-mail address, then click **Submit Request**.

You will receive confirmation that your request was submitted. ACES will update and provide the application on the user's Navigation List the next business day.

### What You Can Do

Once you have access to the AMS Employer Report application on ACES, you can:

- Sort the report by  
**Unit Code**  
**Last Name**  
**First Name**  
**Total Contribution, or**  
**Total Service Credit**
- View and save a copy for internal records
- Print the AMS Employer Report
- View report information for an individual Social Security number

### Work Steps for AMS Employer Report

1. Select **Annual Member Statement Employer Report** from the Navigation List.
2. Select **Organization** from the drop-down menu.
3. Select the Fiscal Year for the desired report.
4. Select the desired sorting method from the drop-down in the Sort By box.
5. Enter an individual Social Security number to retrieve an individual report.
6. Choose **View Report** to download the report.
7. Reset will clear the screen to allow you to query another report. (Click only once on Reset.)
8. "Please wait" will appear while the AMS Employer Report is being retrieved.
9. When the File Download window appears, select **Open** to access the AMS Employer Report.



## How to Navigate CalPERS Headquarters at Lincoln Plaza

With two new buildings and a new parking garage, it's a bit more challenging these days for visitors to figure out where things are located at CalPERS headquarters in Sacramento, also known as Lincoln Plaza.

The CalPERS complex at the west end of downtown Sacramento is now bound by P Street on the north, R Street on the south, 3rd Street on the west, and 5th Street on the east. Q Street, just off Interstate 5, divides our

original building, now referred to as Lincoln Plaza North, and the two new buildings to the south, referred to as Lincoln Plaza East and Lincoln Plaza West.














Visitor parking is underground. There is a one-story underground parking garage below Lincoln Plaza North and a two-story underground garage below Lincoln Plaza East and Lincoln Plaza West. Visitor parking spaces (marked "Visitor") are available in both

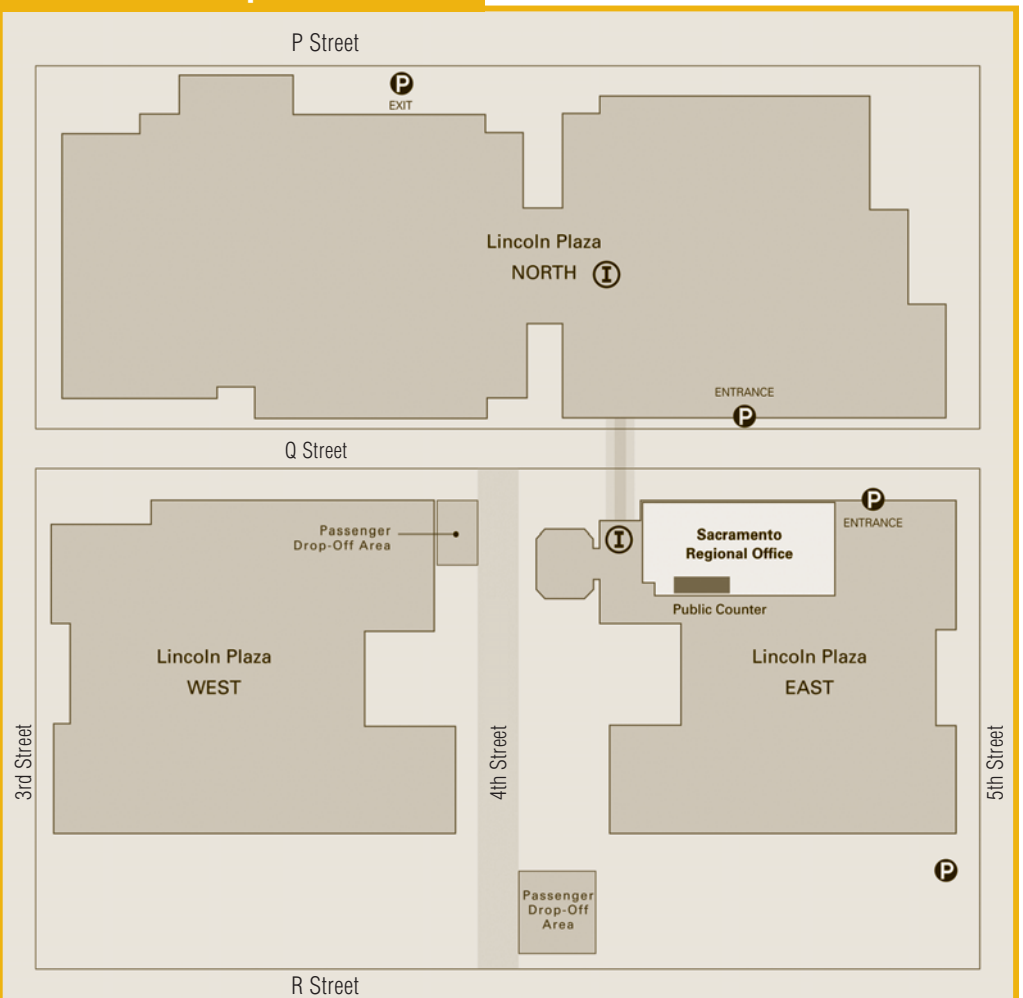
garages and on all levels, conveniently located near the main elevators. Both parking garage entrances are located on Q Street.

The easiest method to finding your way around Lincoln Plaza is by picking up a visitor's map and getting directions at one of the information desks located on the first floor lobby of the Lincoln Plaza North and Lincoln Plaza East buildings. In both buildings, the lobby is located just off the main elevators from the two underground parking garages.

### Street Map

#### Legend

-  ATM
-  Bike Racks
-  Cafe
-  Elevators
-  Entrance/Exit
-  Escalators
-  First-Aid
-  Information
-  Lost & Found
-  Mail Drop
-  Parking Exit/Entrance
-  Pay Phone
-  Restroom



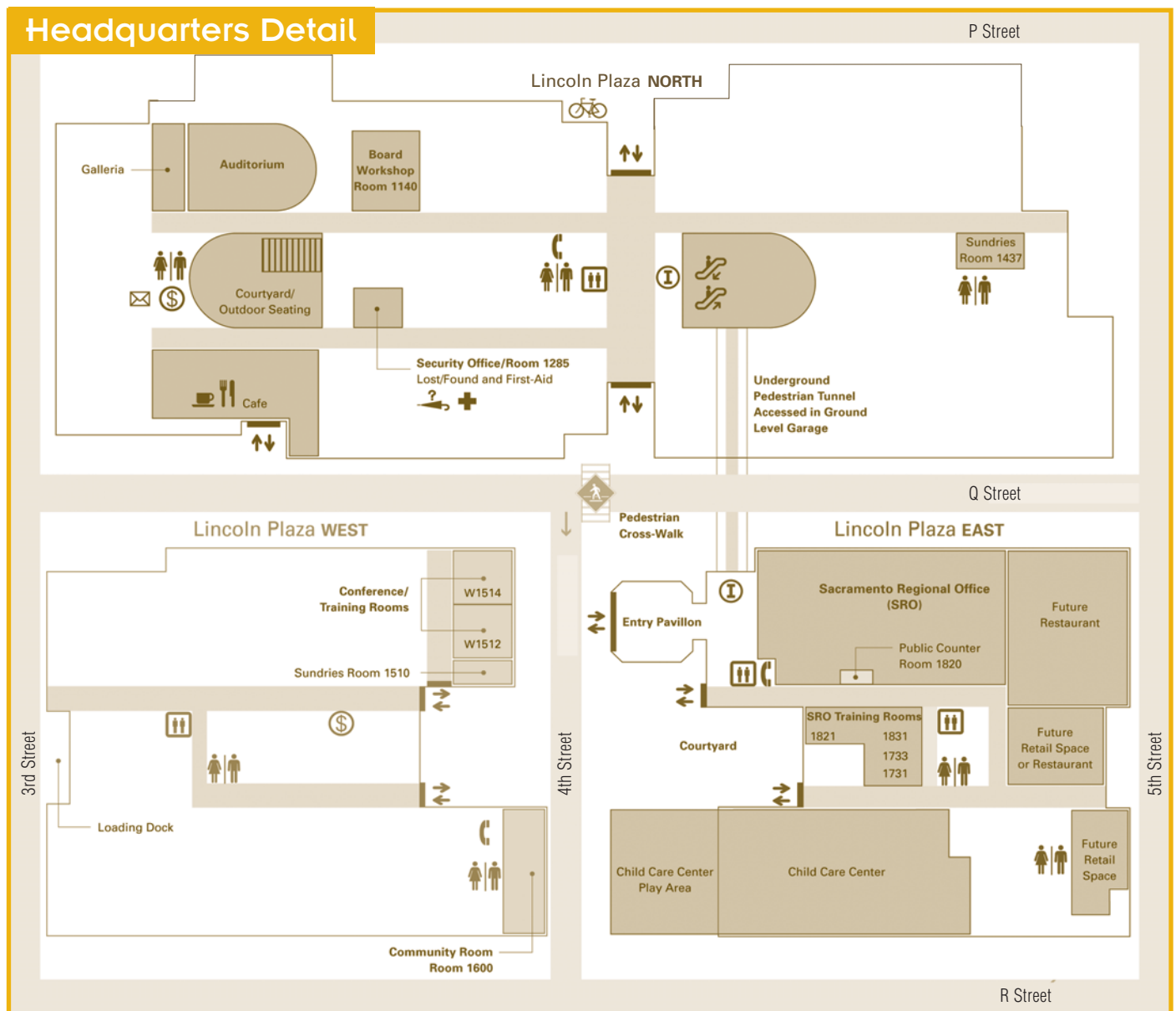


The Sacramento Regional Office can be found on the first floor of Lincoln Plaza East. All public counters at CalPERS headquarters have been consolidated into one public counter at the Sacramento Regional Office, which is the point of contact for all CalPERS members who have business with CalPERS staff.

The location of CalPERS Board meetings has not changed. They continue to take place in the CalPERS auditorium in Lincoln Plaza North.

And, if you get hungry or thirsty, there is a cafeteria on the first floor of Lincoln Plaza North that's open from 7:00 a.m. until 3:30 p.m. There is also a snack shop in Lincoln Plaza East that is open from 7:30 a.m. until 2:00 p.m.

Don't forget, if you need help navigating between the CalPERS buildings at Lincoln Plaza, ask for help at one of our information desks.



## CalPERS Member Home Loan Program: 25 Years of Making a House Your Home

Join us in celebrating this year the 25th anniversary of the CalPERS Member Home Loan Program. For a quarter of a century, California public employees have looked to CalPERS to make their home purchase and refinance possible. Since the Home Loan Program was established in 1981, more than 126,000 real estate loans have been made to members, totaling over \$20 billion.

In 2006, CalPERS continues to innovate, bringing new products, partnerships, and opportunities to its members, including a mortgage loan option that requires as little as \$500 down payment from the member's own funds, and the InterestFirst Mortgage Loan Program, providing an interest-only payment option that suddenly brings the house of your dreams within reach.

### What's the CalPERS Advantage?

For 25 years, the CalPERS Member Home Loan Program has been offering members security, protection and choice when purchasing or refinancing a home. It is exclusive to members and available in all 50 states. The Program provides competitive financing, a variety of loan choices, low-to-no down payment options, closing cost assistance and controlled closing fees. The CalPERS Member Home Loan Program also provides peace-of-mind for homebuyers. All fees and discounts on every CalPERS mortgage loan are reviewed and verified by dedicated CitiMortgage (Program Manager) staff to ensure that they are calculated and applied appropriately by the participating lenders.

### Did you know...?

- The first CalPERS Member Home Loan was for a property in Chico for \$58,000.
- In the summer of 1981, the average interest rate on a conforming 30-year fixed rate mortgage loan was 17%.
- In 1981, the median sales price for a single-family residence in California was about \$108,000. (It's now hovering around \$550,000.)

### Compare the Advantages:

- Competitive Interest Rates
- FREE 60-day Interest Rate Locks with Two FREE Float Down Opportunities
- Controlled Closing Costs
- Down payments as little as \$500 from your own funds\*
- 100% Financing Option\*
- Jumbo Loans (mortgage loans for up to \$1,438,600)
- Reduced Mortgage Insurance, Title and Escrow Fees\*
- CalPERS Certified Loan Officers

*\* Certain restrictions apply. Call for details.*

### New for 2006 – The InterestFirst Mortgage Loan Program

The CalPERS Member Home Loan Program constantly strives to respond to its members' needs. Though home prices are not what they were in 1981, there is still a way for borrowers to overcome high home prices and steep appreciation in property values. We are happy to introduce the new InterestFirst Mortgage Loan Program, which offers added flexibility with both fixed rate and adjustable rate mortgage loans and can make home purchases possible that were previously unaffordable.

When your employees use an InterestFirst Program mortgage loan, they make interest-only payments for the first seven or 10 years of the loan. After the interest-only period, the loan takes on principal payments with varying interest calculations depending on the loan type. These mortgage loan options feature low, interest-only payments that enable borrowers to obtain larger loan amounts, increase their purchasing power, and expand the selection of homes they can purchase.

CalPERS members just beginning their careers can also reap the rewards of the InterestFirst Program. Low initial payments can expedite the home buying process, while long interest-only periods allow the members time to establish themselves in their careers and prepare for higher payments later in the loan term.

Additionally, the program is often a good fit for those employees looking to stay in a home for only a short period of time. During the early years of any mortgage, principal payments are nominal and equity is primarily built through property appreciation. Taking this

**CalPERS Member Home  
Loan Program—  
Continued on page 11**

**CalPERS Member Home  
Loan Program—  
Continued from page 10**

into account, the InterestFirst Program allows members to take advantage of the short-term interest rates and low monthly payments associated with interest-only mortgage loans, while at the same time benefiting from any equity built through property appreciation.

InterestFirst Program borrowers need to be aware that, whereas traditional fixed payment mortgages build equity through payment of monthly principal, interest-only loans do not during the interest-only period. Further, there is no guarantee that at the reset date when principal payments commence and the monthly mortgage payment increases, the borrower will have benefited from equity buildup via home price appreciation.

The CalPERS Member Home Loan Program is constantly looking for better ways to serve our members. As always, our goal is to assist our diverse membership by helping them get into homes as quickly and cost-effectively as possible. With the addition of the InterestFirst Program we hope to make the home buying process more convenient than ever.

**Get the News Out to Your Employees!**

Call us today and request flyers to distribute to your employees or to post in lunchrooms or on bulletin boards. Or, sign-up for a CalPERS Member Home Loan Program workshop, and a representative will provide a brief but informative presentation to your employees to educate them about their excellent home financing options. Call us at (800) 874-7377 today to schedule your employee workshop or order flyers for your employees.

## The ERCC: Providing Employers with Excellent Customer Service

The Employer Contact Center (ERCC) continuously strives to offer excellent customer service by providing employers with the most current and accurate information. This includes information about changes to CalPERS business practices, as well as information on “hot” topics that result from legislation, court decisions, or seasonal events such as Open Enrollment for health benefits and the release of Annual Employer Statements.

ERCC agents take pride in working with you. To update you on the latest trends among employers, we are pleased to provide the following overview of common inquiries the ERCC has received during the first quarter of 2006.

- **Health Benefits:** Approximately 50 percent of the phone calls placed to the ERCC each month consist of health-related questions. ERCC agents have the resources and tools needed to assist employers in performing eligibility and enrollment transactions.
- **Disability Retirement:** The *Steven W. Nolan v. City of Anaheim* court decision added additional requirements for those who apply for a disability retirement. This has resulted in numerous questions posed to you by your employees. ERCC agents have the most up-to-date information and are able to assist you with such inquiries.
- **ACES:** Common questions pertain to ACES enhancements, such as the new Service Credit Purchase Status function. ERCC agents frequently assist employers on how to add new ACES users, guide them through the various screens and assist with specific transactions.

The Employer Services Division recently developed three brochures that address ways to obtain information from CalPERS via the Internet or by phone. The brochures both feature specific navigation tips and instructions for ease of use.

The first brochure, entitled **Connecting Employers to CalPERS** (PUB 48), outlines how to navigate through the Interactive Voice Response System (IVR) when you call us toll-free at **888 CalPERS** (or **888-225-7377**).

The other brochures, entitled **CalPERS. When You Need Us** (PUB 47) for employers and **CalPERS. When You Need Us** (PUB 24) for members, address the specific information and services featured on the CalPERS Web site.

We encourage you to obtain copies of these publications for yourself and your employees, to help you connect with CalPERS either online, by phone, or in person. Copies are available on our Web site at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## CalPERS Health Program: Meeting Your Needs for Today and Tomorrow

Experience. Leadership. Commitment. These are the cornerstones of the partnership between the CalPERS Health Program and the contracting agencies and schools participating in the program.

When CalPERS promised to advance the financial and health security for employers and members participating in the Health Program, we committed to create and maintain an environment that is responsive to all of those we serve. We firmly believe that the CalPERS Health Program provides a value in the provision of healthcare that is more than the premium, and we are committed to providing contracting agencies and schools with the best value in healthcare for today and tomorrow. How can we do this?

### Experience

For more than 45 years, CalPERS has been a leader in the California health care world, providing our members access to quality health care at consistent, competitive and affordable rates. We've "been there" for three generations of California public servants, and we will be here for generations to come.

We work smart for you. We understand the health care cost drivers and, through our strategic plan health initiatives, are addressing issues such as aging population, provider reimbursements, escalating pharmacy costs, provider disruptions, escalating hospital costs, and chronic diseases.

### Leadership

**Size:** As the largest purchaser of employee health benefits in California and the third largest purchaser in the nation, CalPERS insures over 1.2 million lives, and oversees annual premiums of more than \$4.34 billion. CalPERS addresses your needs through ease of administration, negotiating power with health plans and providers, member advocacy, access to care and competitive premium rates, and timely resolution of provider and plan issues.

**Costs and Service:** At less than half of a percent of premium, the administrative costs associated with the CalPERS Health Program are among the lowest in the State. This low fee covers a variety of key services provided by CalPERS. Brokers typically charge two to five percent of premium for large groups, with higher costs for small groups under 500. Although lower administrative fees often directly translate into lower administrative support, CalPERS provides full Open Enrollment access, electronic enrollment and communication ability with contracting agencies and schools, oversight of appeals and plan/member conflict resolution. We act in a full-service capacity for the health access needs of your retiree population as well.

### Commitment

CalPERS commitment extends to seeking new and innovative ways to keep your costs down and to offer new products. Our 2006 and 2007 marketing plan explores demand for and feasibility of offering new products, such as dental and vision care.

CalPERS Health Program offerings truly provide a value in healthcare which is more than the premium. To meet your needs:

- We require our health plan partners, at no additional cost, to offer disease management programs which identify high-risk individuals, educate them, and provide case management.
- We offer you an electronic enrollment system (the Automated Communication Exchange System, known as ACES) and contracting agency and school personnel policies and procedures. Additionally, we provide continued support through employee education, Web site access, annual enrollment, legal review of contracts and plan documents.
- We serve as the Health Benefits Officer for all retirees and COBRA members. When an employee retires from your agency, CalPERS staff take over to ensure enrollment changes, plan choices and other health decisions are properly coordinated for today and tomorrow.
- CalPERS Board Members welcome feedback from employers and members. You can contact CalPERS Board members at **888 CalPERS** (or **888-225-7377**), or you can visit the **About CalPERS** section of the CalPERS Web site to identify your Board representative and to view board member committee assignments.

**CalPERS Health Program—  
Continued on page 13**



**CalPERS Health Program—**  
Continued from page 12

We are expanding our educational outreach through videoconferencing and online materials to provide distance learning and on-demand support. Additionally, we host a monthly *Health Benefits Constituent Workgroup* that offers employers, employees, labor organizations, and retirees the opportunity to stay informed and provide input about upcoming Health Benefits Committee agenda items, strategic planning, relevant legislation, health care market trends and other current topics. For more information on this workgroup, please contact the Employer Contact Center toll-free at **888 CalPERS** (or **888-225-7377**).

We look forward to your participation in the CalPERS Educational Forum 2006, being held October 23-25 at the Renaissance Esmeralda Resort in Indian Wells. In addition to providing educational sessions at the event, we will have information booths staffed by CalPERS and our health plan partners. Together, we plan to further highlight the aspects of the CalPERS Health Program which provide value beyond that of the premium.

Through our experience, leadership, and commitment, CalPERS continues to improve cost and value, strengthen our risk pool stability through regional pricing, and provide sound product choice. Through these efforts, we can ensure contracting agencies and school employers accessibility to high-quality, effective healthcare and coverage for today and tomorrow.

## View the Status of Service Credit Purchase Requests Online

It is now easier than ever for you and your employees to view the status of service credit purchase requests by using CalPERS On-Line.

We have recently implemented a new online service that gives CalPERS employers and members the ability to:

- View the date we received the member's service credit purchase request
- View the service credit request type
- View the date CalPERS mailed service credit information to the applicant
- View the date we received the member's formal service credit purchase election

Before using this service, CalPERS members must first obtain a User ID and Password by registering for online access at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**. Members who already have a User ID and Password can begin using our new online service immediately. Employers can access the same information for their employees by using our Automated Communications Exchange System (ACES).

Please provide your employees with these simple steps for viewing their service credit purchase status:

1. Log in to CalPERS On-Line, using your User ID and Password
2. Select the "For Members" area
3. Select **Service Credit, Service Credit Purchase Options, and Your Service Credit Purchase Status**.

Employees can also view their service credit purchase status by selecting **Online Services, Calculators & Tools** from the Member Information page, or from the **Online Services** link on the home page.

For general information about how much time it will take for CalPERS to process a request, select the "For Members" area. Next, select **Service Credit, Service Credit Purchase Options** and **Latest Status on Service Credit Cost Requests & Elections**.

## Events of Interest – August through September 2006

Date		Event	Location
August	9	School Employer Advisory Committee	CalSTRS, 7801 Folsom Blvd., Sacramento
	11	Performance & Compensation Committee Investment Policy Subcommittee	CalPERS, Auditorium, Sacramento
	14	Investment Committee	CalPERS, Auditorium, Sacramento
	15	Benefits & Program Administration Committee Health Benefits Committee	CalPERS, Auditorium, Sacramento
	16	Board of Administration	CalPERS, Auditorium, Sacramento
September	4	Holiday – Labor Day, State Offices Closed	
	8	Finance Committee Performance & Compensation Committee	CalPERS, Auditorium, Sacramento
	11	Investment Committee	CalPERS, Auditorium, Sacramento
	12	Benefits & Program Administration Committee Health Benefits Committee	CalPERS, Auditorium, Sacramento
	13	Board of Administration	CalPERS, Auditorium, Sacramento
	19-21	Retirement Program Administrative Workshops	CalPERS Regional Office, Orange

**Note:** Meeting announcements are published on our Web site and through the Circular Letter process when they become available. Meetings are subject to change.

## President and Committee Chairs Chosen for CalPERS Board

The CalPERS Board of Administration has re-elected Rob Feckner as its president and Robert F. Carlson as vice president.

Feckner is a glazing specialist for the Napa Valley Unified School District and president of the California School Employees Association. He was first elected to the CalPERS Board in 1998 and re-elected in 2002 by classified school members.

Carlson is the senior member of the CalPERS Board, serving continuously for more than 35 years. He is elected by CalPERS retirees. Prior to his retirement in 1985, Carlson was chief counsel for the California Department of Transportation.

In addition, the Board chose the following chairs and vice chairs of key Board committees:

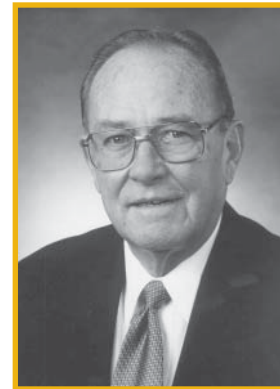
- Investment Committee – Charles Valdes, chair; George Diehr, vice chair. Valdes has been a CalPERS board member since 1984. He is an attorney with the California Department of Transportation and former president of the California State Employees Association, and is elected by all CalPERS members. Diehr was elected to the CalPERS Board in 2003 by State members. He is a professor of management science at California State University, San Marcos.

- Benefit and Program Administration Committee – Kurato Shimada, chair; Rob Feckner, vice chair. Shimada was re-elected to the CalPERS Board in 2002 by all CalPERS members after previously serving on the Board from 1987 to 1999 as a representative of classified school members. He retired in 1998 as supervisor of operations for the Oak Grove School District in San Jose.
- Health Benefits Committee – George Diehr, chair; Priya Mathur, vice chair. Mathur was elected to the Board in 2003 by public agency members. She is a principal financial analyst for the Bay Area Rapid Transit District.
- Finance Committee – Robert Carlson, chair; Steve Westly, vice chair. Westly is California's State Controller. He was elected by California voters in 2002.

The CalPERS Board and its committees meet every month except in January and July. Meeting dates and agendas can be found on the CalPERS Web site at **[www.calpers.ca.gov](http://www.calpers.ca.gov)** by selecting **About CalPERS** from the home page.



*Rob Feckner*



*Robert F. Carlson*

## CalPERS Member Network: Keeping You Informed

In 1998, the CalPERS Office of Public Affairs debuted a video series entitled CalPERS Member Network (CMN). Over the years, CMN has kept CalPERS employers informed of important news and views that affect the health and retirement benefits of more than 1.4 million members. Since its inception, 18 editions of CMN have been released using a variety of different methods and technology, from traditional videotape and DVD to the World Wide Web and the CalPERS On-Line video library.

Produced internally by the Media Productions staff in the CalPERS Office of Public Affairs, CMN features a diverse selection of stories

and information that affect the daily lives of our members and employers. From healthcare rates to pension security to global investing, this video series takes you behind the scenes of the nation's largest public pension fund in a unique and entertaining way.

To view various CMN editions, just visit the "For Employers" area of CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov) and select **Video Center, View a CalPERS Video**. The Video Center uses Internet video streaming so you can watch member videos right at your desk or in the comfort of your home. CalPERS also offers DVDs of selected video productions that employers can order online from the Video

Center (select **Order a CalPERS Video**).

These videos can also be ordered by calling the Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Check out CalPERS Member Network today!



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